



THE NON-PROFIT HOUSING ASSOCIATION OF NORTHERN CALIFORNIA

THE  
VOICE OF  
AFFORDABLE  
HOUSING  
SINCE 1979



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989 Pine Street

Suite 300

San Francisco

CA 94104

415.685.0100 Tel

415.685.0100 Fax  
nonprofithousing.org

March 4, 2005

City Council  
City of Sunnyvale  
PO Box 3707  
Sunnyvale, CA 94088-3707

**Re: Below Market Rate Housing Program**

Dear Honorable Councilmembers:

On behalf of the Non-Profit Housing Association of Northern California (NPH), I am writing to convey our concerns about potential changes in Sunnyvale's Below Market Rate (BMR) Housing Program.

NPH participated in the policy discussion when Sunnyvale further strengthened its BMR policy in August of 2004. At that time we supported the decision to increase the set aside percentage from 10 to 15% as well as lower the income targeting and increase the length of affordability.

The Tri-County Apartment Association is requesting that Council consider suspending new administrative procedures of the BMR program. We are specifically concerned with their request to suspend the requirement that new BMR applicants earn no more than 70% of the area medium income (AMI), and instead allow applicants to earn up to 80% of AMI.

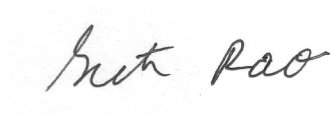
Making this change in the provisions would seriously undermine the effectiveness of the Sunnyvale's BMR program. The market is already providing affordable rents to households at 80% AMI. According to RealFacts, market-rate rents average \$1,238 for a two-bedroom unit in 2004. A four-person family making 80% AMI in Sunnyvale (which is \$84,900 according to State Income Limits for 2004) can afford \$2,122 in rent. In other words 80% AMI is over \$850 over market so the market is clearly already providing housing for families at 80% AMI. Council should actually consider further lowering the income targets to less than 60% AMI.

In fact during the 2004 update of the BMR ordinance, at least two BMR tenants came forward at the Council hearing to point out that their BMR rents were actually more than market-rate at that time.

The Tri-County Apartment Association is also requesting to lift the requirement that bars employees or owners and property management firms from renting BMR units. This provision is intended to mitigate abuse of the BMR program, and we strongly feel that this provision should remain a part of the program.

In closing, the most effective BMR programs provide housing for incomes that cannot find housing in the market. If you decide to revisit income targets, it should only be for the purpose of lowering the income targets. Please contact us with any questions.

Sincerely,

A handwritten signature in cursive script, reading "Geeta Rao". The signature is written in dark ink on a light background.

Geeta Rao  
Associate Policy Director